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EX PARTE OR LATE FILED

**BELLSOUTH**

**Ben G. Almond**  
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March 20, 1997

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MAR 20 1997

Federal Communications Commission  
Office of General Counsel

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW, Room 222  
Washington, DC 20554

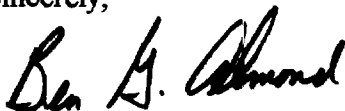
RE: Implementation of the Payphone Reclassification and Compensation  
Provision of the Telecommunications Act of 1996  
BellSouth Comparably Efficient Interconnection Plan for Payphone  
Service Providers Ex Parte

Dear Mr. Caton:

The attached information is provided by the undersigned at the request of Richard K. Welch, Chief of the Policy and Program Planning Division, Common Carrier Bureau in connection with the above referenced proceeding. In addition, a copy of information furnished to James D. Schlichting, Chief of the Competitive Pricing Division, Common Carrier Bureau is also attached. This information also pertains to the referenced proceeding and has been filed with your office today under separate cover.

Please contact me if you have any questions.

Sincerely,



Ben G. Almond  
Executive Director-Federal Regulatory

**Attachments**

cc: Richard K. Welch  
Radhika V. Karmarkar

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**Public Payphone Deregulation  
BellSouth Compliance With FCC Orders**

**I. BellSouth is in full compliance with the FCC's orders regarding the tariffing of unbundled payphone features in the interstate access tariff.**

BellSouth believes in the first instance that federal tariffing of the payphone-related features and functions that have been discussed in recent contacts with Commission staff is inappropriate and not required by the Payphone Orders.

**First**, these features and functions are not interstate services in that they are not used to originate or terminate interstate communications.

**Second**, as a corollary principle -- and consistent with the Commission's recent reaffirmation that payphone providers are end users for purposes of its rules, the referenced features and functions are analogous to complimentary network services ("CNSs"), defined in the Commission's ONA construct to be end user services and not subject to a federal tariffing requirement.

**Third**, even if the features and functions are considered to be analogous to "BSEs" under the ONA construct, federal tariffing would be inappropriate because there is no federally tariffed "BSA" with which they may be associated. In the absence of a federally tariffed BSA, these "BSEs" could only be used with state tariffed BSAs -- a result contrary to the Commission's prior decisions regarding "mixing-and-matching."

Rather than suggesting any intent to deviate from these tariffing principles established in the Computer III and ONA proceedings, the Commission's orders confirm that the Commission intended to adhere to those principles. Thus, in light of the foregoing, BellSouth does not believe that the federal tariffing requirements of the Payphone Orders properly apply to local exchange, end user services.

Even assuming that the tariffing requirements of the Payphone Orders are somehow intended to reach an interstate component of these features and functions, however, those requirements are further limited by the plain terms of the applicable orders. For the reasons explained in more detail in Michael Kellogg's March 19, 1997 letter on behalf of the RBOC coalition to Mary Beth Richards, Deputy Chief of the Common Carrier Bureau, it is BellSouth's understanding that by their terms the orders purport to require federal tariff filings only for those features that are (1) network based, (2) payphone specific, and (3) used by BellSouth's payphone affiliate. The specific features and functions at issue are discussed in the context of this understanding below.

**II. In response to requests from Commission staff, BellSouth has compiled the following list of services that it perceives to be the relevant set of features or functions about which**

the federal tariffing issue is swirling. BellSouth does not have any payphone related services in its state local exchange services tariffs that are unbundled features of the basic Payphone Smart Line and Payphone Access Line. The following, however, is a list and description of local exchange services that have been identified as likely to be used with Payphone Lines. For each of the identified services, BellSouth describes its justification for not filing a federal tariff for that service in light of the tariffing principles and limiting factors referenced above.

**Directory Assistance** - DA is provided for intrastate, local information from BellSouth's local exchange services tariff (Local Directory Assistance (Section A3) and Toll Directory Assistance (Section A18)) and is thereby available on all local exchange and intrastate toll services. In addition, directory assistance for interstate calls is already tariffed in the interstate access tariff. The charges paid for such service are assessed to interexchange carriers, not end users. Any interstate directory assistance charge that is assessed to an end user is levied by the interexchange carrier. Accordingly, there is no interstate end user directory assistance charge to be filed in federal tariffs.

**Billing and Collection for Set Use Fee** - BellSouth performs billing and collection of set use fees for IPPs under tariff in some of its states. This feature is an intrastate billing and collection function. Even assuming *arguendo* that there is an interstate component to this function, interstate billing and collection has been held by the Commission not to be a common carrier service. Further, this function is not a network based offering. Accordingly there can be no federal tariffing requirement for such a feature.

**Directory Listings** - Provided from BST's local exchange services tariff (Directory Listings, Section A6) as a service for all local exchange customers. The listing is a representation of the telephone number and other subscriber information associated with a local exchange line. This service is neither payphone specific nor a network offering. Because it is a tariffed local exchange related service, however, BellSouth's payphone operations and locations will have the same opportunity as other IPPs to be listed in the local directory. Further, the opportunity for a subscriber to be listed in a directory or to have his information withheld from publication is exclusively associated with a subscriber obtaining his basic intrastate local exchange service. Because the Commission has determined that the basic serving arrangement for payphone service is properly an intrastate exchange service, there is no corresponding federal service to which a directory listing option would apply. Accordingly, it would be inappropriate to file such a feature in a federal tariff.

**Touch Tone** - Provided from BST's local exchange services tariff (Miscellaneous Services, Section A13) as a service available to all local exchange service customers. All customers must have some form of signaling designated for their

subscriber line at the time of service subscription. There is nothing about this feature unique or inherently specific to payphone service. Touch tone is a form of signaling that is associated with the basic exchange line and cannot be separated from the line. Because it is part of the basic serving arrangement, there is no federal tariff requirements.

Local Usage Detail - Provided from BST's local exchange services tariff (Local Services, Section A3) for use with BST's usage based local calling plans with the exception of Florida. In Florida, Local Usage Detail is also available from the BST Public Telephone Access Service tariff (Section A7). By definition, this service is related only to local usage of a subscriber line and has no interstate component. Federal tariffing would not be appropriate.

Coin Refund and Repair Referral Service - Although provided from BST's Public Telephone Access Services Tariff (Section A7) as a payphone specific service, this service is not network based. Rather, this service offers a relationship between an IPP and BST whereby BST will, on behalf of the IPP, receive end user claims of coins lost within a set or accept notifications of sets in need of repairs, and issue customer credits or refunds or inform the IPP of the repair need, as appropriate. This service has no identifiable interstate component and, even if it did, would likely be considered a nonregulated activity at the federal level (comparable to billing and collection). Accordingly, no federal tariff is appropriate.

Answer Supervision - Provided from BST's local exchange services tariff (Miscellaneous Services, Section A13) for use only with line side terminated PBX trunks with the exception of Florida. In Florida, Answer Supervision is an unbundled feature which is tariffed in the local exchange services tariff and available for use with IPP lines or line side terminated PBX trunks. Currently, there are not any Payphone Service Providers subscribing to this feature and BellSouth's payphone affiliate does not have any plans to use this feature. Accordingly, there is no need or requirement for filing this feature in federal tariffs.

In summary, these services are generally available local exchange features that are available with local exchange, common line related services and, with the exception of Billing and Collection for Set Use Fee and Coin Refund and Repair Referral services, have no unique utility with payphone services. As indicated above, however, other factors weigh against a federal tariffing requirement for these latter features.

In light of the foregoing, BellSouth believes its reading of the Commission's payphone orders to be proper and its non-inclusion of federal tariffs with its CEI plan to be justified. To the extent the Commission might have intended otherwise, BellSouth asks the Commission to recognize the lateness of the hour, the reasonable grounds for disagreement with what might have been required, BellSouth's good faith attempt to meet

the Commission's requirements as it understands them, and BellSouth's willingness and desire to work with the Commission to resolve the fundamental issue of whether, or under what circumstances, federal tariffs are in fact required. And, in accordance therewith, BellSouth urges the Commission to approve BellSouth's CEI Plan and, if necessary, solicit additional input on the propriety of federal tariffs coincident with its approval of the Plan.

67527: 3/20/97

**W. W. (Whit) Jordan**  
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March 20, 1997

Ex Parte

Mr. William F. Caton  
Acting Secretary  
1919 M Street NW, Room 222  
Federal Communications Commission  
Washington, DC 20554

RE: BellSouth Tariff FCC No. 1, Transmittal No. 385, dated December 11, 1996 and CC  
Docket No. 96-128

Dear Mr. Caton:

The attached information has been provided by the undersigned at the request of Mr. Jim Lichford of the Common Carrier Bureau's Competitive Pricing Division in connection with the above referenced tariff transmittal. As indicated in this response there are several local exchange features and functions that are used in conjunction or interoperate with the local exchange payphone line. Indeed, many of the features are not payphone specific to payphone lines but rather are essential elements of local exchange services available to all end user customers such as touch tone and directory listing and clearly not elements that would be filed in an interstate tariff.

Further, in identifying these features, it should not be assumed that such features are elements that should be filed in a federal tariff. For example, the directory assistance service that is listed is for intrastate, local directory assistance. Directory assistance provided by LEC's for interstate calls is already tariffed in the interstate access tariff. The charges for such service are assessed to interexchange carriers not end users. Any interstate directory assistance charge that is assessed to an end user is levied by the interexchange carrier. Accordingly, there is no interstate end user directory assistance charge that should be filed.

Another example would be Billing and Collection for Set Use Fee. This feature is an intrastate billing and collection service. Even assuming *arguendo* that there is an interstate component to this function, interstate billing and collection has been found not to be a common carrier service. Accordingly, there can be no federal tariff requirement for such a feature.

Yours truly,



W.W. Jordan  
Executive Director - Federal Regulatory

Attachment

cc: Mr. J. Lichford

RESPONSES TO QUESTIONS FROM THE COMPETITIVE PRICING DIVISION RECEIVED 3-14-97

1. Did BellSouth file every feature and function that the LEC Payphone Operations are using (whether or not the payphone operations are in a separate affiliate). If not, what state tariffed features and functions are available that are not in the interstate tariffs? These features and functions should include those that are payphone related and those that are not.

Because there are no additional network based payphone specific features and functions utilized by BST, there is nothing to be filed in the federal tariff. However, BST's payphone operation does utilize additional services from its Local Exchange Services tariffs that are available to other local exchange service customers. These local exchange common line type services, listed below, were naturally not filed in the interstate tariff.

- A. Directory Assistance Service - Non chargeable in all states
- B. Billing & Collection for Set Use Fee - Non Chargeable; (available in AL, FL, GA, KY)
- C. Directory Listings - Non chargeable in all states
- D. TouchTone Service - Non chargeable in all states
- E. Coin Refund and Repair Referral Service - Non chargeable in all states

These services and features will be chargeable to BellSouth's payphone affiliate, as described for Independent Payphone Providers in the response to Item No. 2 below, beginning April 1, 1997 when BellSouth's payphone operations are moved to a separate affiliate

2. Did the BellSouth file every feature and function that an Independent Payphone Provider has available to it in a state tariffs? If not, what tariffed features and functions are available that are not in the interstate tariffs? These features and functions should include those that are payphone related and those that are not.

No. BellSouth did not file additional non-basic payphone related local exchange services in the interstate tariff. Listed below are the additional, non-basic local exchange services not available in the interstate tariffs which are available to the IPPs

- A. Directory Assistance Service - Chargeable in KY, AL, NC, SC, LA; (available in all states)
- B. Billing & Collection for Set Use Fee - Chargeable in AL, GA, KY; (non chargeable in FL)
- C. Directory Listings - Non chargeable in all states except in KY
- D. TouchTone Service - Chargeable in KY, LA, NC, TN; (available in all states)
- E. Local Usage Detail - Chargeable; (not available in GA & LA)
- F. Answer Supervision - Chargeable; (available in FL only)
- G. Coin Refund and Repair Referral Service - Chargeable in all 9 states

Non-payphone related services not available in the interstate tariff include the balance of all other services available in the states local exchange services tariffs.

3. Under questions #1 and #2, did BellSouth file both chargeable and non-chargeable options as features and functions? If not, what features and functions are available that are not in the interstate tariff? These features and functions should include those that are payphone related and those that are not.

See detailed responses to Questions No. 1 and No. 2.

4. Did BellSouth file both existing features and functions as well as new features and functions?

Based on BellSouth's understanding that this question refers to federal tariff filings, the answer is that BellSouth filed neither existing nor new features and functions, based upon BellSouth's

understanding of the orders. It is BellSouth's understanding that the orders required federal tariff filings only for those features which are network based and payphone specific and used by BellSouth's payphone affiliate.